

Rebate Outreach Plan

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Revenue Stabilization and Tax Policy Committee**

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Summary of Presentation

- **Background on the Rebate**
- **Eligible New Mexico Residents Who May Not Have Filed**
- **The Rebate Outreach Plan**

Background on the Rebate

- **SB24S, as amended, sponsored by Senator Bernadette Sanchez, was passed by the Legislature during the 2008 Special Session and signed by Governor Richardson**
- **The Act provides a refundable 2007 NM personal income tax credit (rebate) for eligible residents**
- **Over 640,000 eligible taxpayers will receive a total of nearly \$56 million in rebates**
 - **These rebate will help low- and middle-income families cope with the high cost of gasoline, food, and medical care**
- **To qualify for the rebate taxpayers must:**
 - **File a 2007 New Mexico income tax return;**
 - **Be a full-year or first year resident of New Mexico; and**
 - **Must not be a dependent of another taxpayer or an inmate of a public institution for more than six months during 2007**
- **The amount of the rebate per eligible taxpayer and dependent is:**
 - **\$50 for returns with income (AGI) up to \$30,000;**
 - **\$40 for returns with AGI between \$30,000 and \$50,000; and**
 - **\$25 for returns with AGI between \$50,000 and \$70,000**
 - **Returns with AGI over \$70,000 will not receive a rebate**
- **Taxpayers who have filed their 2007 NM personal income tax return by September 15, 2008, will automatically be mailed a rebate by the following dates, depending on the last digit of the primary filer's social security number (SSN):**
 - **If the primary filer's SSN ends in 0, 1 or 2, they will receive their rebate check by October 24, 2008;**
 - **If the primary filer's SSN ends in 3, 4 or 5, they will receive their rebate check by November 7, 2008;**
 - **If the primary filer's SSN ends in 6, 7, 8 or 9, they will receive their rebate check by November 21, 2008.**
- **Qualifying taxpayers who file after September 15, 2008 will receive their rebates within 75 days of filing their return.**

- **Rebate amounts will be offset for outstanding tax debts and for other amounts the Department is required to offset, such as past-due child support**
- **Rebates will not be taxable directly to taxpayers for either federal or State income tax purposes**
 - **However, those taxpayers who itemize their deductions for income tax purposes and who receive a rebate will need to follow the standard federal income tax rule that requires a refund of an itemized tax to be included in income the year the refund is received**
 - **These taxpayers will generally receive their rebate in 2008, so will include the rebate in income on their 2008 return**
 - **Note that they will not have to amend their 2007 return because of the rebate**

Eligible New Mexico Residents Who May Not Have Filed

- A number of eligible residents are not required to file a NM personal income tax return, and so may not have filed for 2007
 - In general, the federal thresholds for filing a return apply for NM personal income tax purposes
 - These thresholds vary with filing status and age, from \$8,750 for a single filer under the age of 65 to \$19,600 for a couple with both spouses age 65 or over
 - Taxpayers with income below these levels are not required to file a NM personal income tax return, but may file for a refund of excess withholding or to claim a refundable rebate or credit
 - Most of the eligible individuals who are not required to file belong to five identifiable groups: Native Americans, seniors living on Social Security, active duty military, veterans, and other low-income residents
1. Native Americans. Those who live and work on their own tribal lands are not taxable on their wages from this employment
 - Native Americans who earn all or most of their income from employment on their own tribal lands are not required to file
 2. Seniors Living on Social Security. Social Security benefits (SSB) are not taxable unless income (including 50% of SSB) exceeds \$25,000 for single filers and \$32,000 for joint filers
 - Seniors whose only (or primary) income is from SSB generally are not required to file
 3. Active Duty Military. Active duty military who are residents of New Mexico can retain their residency regardless of where they are stationed
 - All wages from active duty service are exempt from New Mexico personal income tax, so for members of the military with little or no other income there is no filing requirement
 - Active duty includes full-time training duty, annual training duty, full-time National Guard duty, and certain school attendance

4. Veterans. Veterans who have combat disabilities are not taxable on their disability income, and some other disability income of veterans is nontaxable

- Veterans whose only (or primary) income is from exempt disability income are not required to file

5. Low-Income Residents. Some other residents have income below the federal filing thresholds, and are not required to file

The Rebate Outreach Plan

- **The Legislature and the Governor intended the rebate to help all eligible residents cope with the high cost of gasoline, food, and medical care**
 - **To help insure that this intent is fulfilled, TRD is undertaking a significant rebate outreach effort**
- **The outreach effort is designed to reach those eligible residents who have not filed a 2007 NM income tax return and to assist them in filing so they receive the rebate they are entitled to**
- **The outreach effort will focus on the five groups identified above**
- **The outreach plan has three main components:**
 - **A broad media campaign (TV, radio, print) to inform the members of each group, and particularly group leaders, of the necessity for individuals to file in order to receive the rebate**
 - **A specific information campaign tailored to reach members of each of the five groups**
 - **Provision of filing assistance for those who need it**
- **Broad Media Campaign. This campaign has several facets:**
 - **Immediately upon the Governor's signature of the rebate legislation, TRD posted rebate materials on its web site, including rebate FAQs, a highlighted 2007 PIT-1 form designed to ease filing, and a simplified method for updating addresses**
 - **TRD sent an op-ed letter explaining the rebate to newspapers**
 - **TRD recently issued a press release to alert people they have to file by September 15 to be included in first round of rebates**
 - **A rebate press conference is scheduled to highlight the rebate**
 - **Emails will be sent to reporters**
 - **A PSA (Public Service Announcement) will be created for radio and TV**
- **Tailored Campaigns for Identified Groups. A campaign will be tailored to help inform members of each of the five identified groups of the necessity to file in order to receive the rebate**
 - **State agencies with direct contacts with the groups are being enlisted in the outreach effort**

- Other organizations with direct contacts will also be enlisted
- Newsletters, publications, mailing lists, and similar avenues will be used to reach group members
- Direct contacts will be made through agency offices and through coordinated visits to Chapter Houses, pueblos, adult centers, veterans organizations, and similar locations
- **Filing Assistance.** Without filing assistance, many eligible residents are likely to find filing too daunting a task to undertake, and will therefore lose the rebate they are entitled to
 - Filing assistance will be provided in several ways:
 - TRD will offer ongoing filing assistance in each of its five offices
 - Organizations like Tax Help New Mexico and AARP will provide filing assistance at specified locations and times
 - We plan to provide assistance at some locations like Chapter Houses, pueblos, adult centers, and veterans organizations
 - TRD will prepare a “filer’s rebate kit” and a “preparer’s rebate kit” that are aimed specifically at the targeted groups
 - As part of filing assistance, preparers will provide additional information to filers on their potential eligibility for:
 - Other New Mexico rebates and credits;
 - Federal credits and the federal stimulus payments; and
 - Other State programs such as SNAP and LIHEAP